

FLA Monitoring Risk Profile			FLA/VEY Profile													
Country	India		India													
Factory Code	12023286B		12023286BV													
EM	T-Group Solutions Pvt. Ltd.		T-Group Solutions Pvt. Ltd.													
Date of audit	AUGUST 21-22, 2003		May 30, 2006													
PCIA	Reebok International Ltd. and Nike, Inc.		Reebok International Ltd.													
Number of workers	110															
Product(s)	Sports Shoes															
Production processes	Cutting, Stitching, Soling, Cementing, Drying, Inspection & Packing															
Findings																
FLA Code/Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation												
Remediation																
PC Remediation Plan		Target Completion Date	Factory Response	Completion Date												
Third-Party Verification																
External Verification (May 30, 2006)		Documentation														
Company Verification Follow-Up																
PC Remediation Plan (December 12, 2006)		Documentation														
Company Verification Follow-Up																
PC Remediation Plan (June 21, 2007)		Documentation														
1. Code Awareness																
Worker/Management Awareness of Code		FLA Principles of Monitoring, Obligations of Companies: Ensure that all Company facilities are well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place in the local languages spoken by employees and managers and undertake other efforts to educate employees about the standards on a regular basis.	Reebok's and Nike's code of conduct posters both in English and the local language are posted in production areas. However, many workers interviewed had not read them, nor were they aware of these standards and the code elements.	Visual inspection and interview with workers	(i) Factory will prepare a disseminated workers' handbook incorporating the standards and their application in the factory. (ii) Factory will prepare a training plan and conduct in-house orientation training for all workers into the application of these standards. Training will be a routine part of workers' orientation upon induction. All existing workers will be provided with periodic refresher training.	(i) Deadline for disseminating handbook to all workers: Oct 2003. (ii) Formal training plan to be drawn up by Sept 30. (iii) All workers currently on factory payroll to be provided orientation by end of October.	10/12/2003	A copy of the worker's handbook, along with an English translation, and a training plan/schedule were submitted to Reebok's monitor as verification, and are maintained in Reebok's local files.	All employees have been provided with 'An Employee Handbook.' However, this handbook does not contain Reebok's codes, nor are Reebok's CDD policies posted anywhere in the factory in any language. Though management claimed that training is provided to workers on code elements and the contents of the handbook, worker interviews and document reviews show otherwise. Workers are not knowledgeable about the code elements.	Copy of Employee Handbook obtained. Interview with employees and Management were conducted.	Factory claims to have issued handbook to all workers, but verification of docs proves that workers in two of the units have been provided with handbooks, remaining unit should receive handbooks by the end of Dec. 2006. Reebok posters with PC info found displayed on production floor.	Completed	NA	Ongoing		
Confidential Noncompliance Reporting Channel		FLA Principles of Monitoring, Obligations of Companies: Develop secure communications channel, in manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	No effective system in place.	Interview with workers	(i) Factory will incorporate in workers' handbook, as well as in orientation training, details of how to use the suggestion/complaint box and other channels for recording grievances to management, including process for acting on input and maintaining confidentiality. (ii) Factory will revise workers' forum (if) by allowing worker representatives elected by fellow workers from each section to remain office for no less than six months. (iii) provide proper handouts to representatives to gather and report grievances from workers. (iv) communicate this procedure to all workers. (v) record all issues raised by worker representatives (in monthly forum meeting and management decisions on each issue and post these minutes on factory notice board.	(i) Deadline for disseminating handbook to all workers: Oct 2003. (ii) Sept 30.	Factory has suggestion box for workers to report complaints or raise suggestions. Policy and procedure for using suggestion/complaint box is provided to workers in handbook. Duplicate key of box is given to Reebok representative, who is always present in factory. Workers instructed to seek interview with Reebok representative through complaint box in case they want to communicate directly and report a noncompliance. Moreover, Workers' Forum/Grievance Committee already in place. Committee worker representatives are elected for 6 months by workers in an open democratic election. Their names displayed on factory notice board. They are re-elected by workers. Meetings take place once a month with high-level management, minutes of which are posted on notice board. A copy of minutes from a recent forum meeting has been submitted to Reebok's CDD poster. Notice, posted in a prominent location inside factory, in local language. Notice informs workers that they can contact Reebok, and provides information on how they may do so.	10/12/2003	Copies of the worker's handbook, suggestion box policy, worker's forum handouts and minutes of recent meeting of workers' forum/grievance committee have been submitted to Reebok's monitor as verification, and are maintained in Reebok's internal local files.	No effective confidential noncompliance reporting mechanism in place. Reebok Code of Conduct is not posted in facility nor was any contact information of the factory. Grievance committee exists only on paper and does not really play any role in effectively dealing with workers' issues. Records of periodic meetings conducted by this committee are maintained. While some workers interviewed felt committee members are really not proactive, they choose to approach management directly with their problems, others were not even aware of the committee's existence, as they had not participated in any election process. Workers interviewed were aware of suggestion boxes, however they displayed a lack of interest in utilizing this option.	Visual inspection, review of minutes of grievance committee meetings and interview with Management and workers.	Reebok posters with PC info found displayed on all production floors at each unit. Suggestion boxes found installed in toilets and canteen. PC's Compliance Team to continue to monitor this issue in order to ensure effective remediation of this committee are maintained.	Ongoing	The committee are not effective, as they tend to be one of management's communication channels to the workers, rather than active committees for representing workers or acting as an intermediary. The factory must facilitate worker committees to be independent and representative of workers and involve them in resolving worker grievances with the management in a constructive manner (August 30, 2007).	Ongoing	
2. Formal Labor																
There will not be any use of forced labor, whether in the form of prison labor, indentured labor or otherwise.																
3. Child Labor																
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																
Age Verification		In those cases where proof of age documentation is not readily available, employers will take precautions to ensure that all workers are at least the minimum working age, including medical or religious records, or other means considered reliable in the local context.	Doctor's certificate pertaining to worker's age was maintained on most personnel files of workers. However, in many instances workers interviewed stated that they had not met the doctor who issued their age-proof certificates.	Workers' personnel files and interview	Factory will ensure that all workers have credible age documentation. In accordance with local law, an independent medical/professional staff, at the factory's cost, determine the age of workers. Only a female physician may, with the worker's consent, conduct a non-invasive medical examination to determine age of worker.	9/30/2003	Most of the workers have school certificates and other age documents. In doubtful cases dental inspection is being organized.	9/30/2003	Age proof of workers on the Sports Shoe Factory Roll have been submitted to Reebok's monitor as verification and are maintained in Reebok's local files.	Proof of age documents for some workers are not available in the facility. For those where the dentist issued certificates certifying appropriate age of workers, the dentist is now examining them physically prior to issuing an 'Age Certificate.'	Interview with employees and review of Workers' personnel files/Proof of Age Documents.	During verification it was found that factory has yet not completed the process of collecting proof of age for about 20% of workers. Factory is reported to have frequent turnover of employees in the personnel department. As a result, Personnel Department often does not complete its tasks properly.	Ongoing	Age proof verification and documentation is not complete. Factory must complete age proof verification and documentation process for all workers by 08/30/2007.	Ongoing	
4. Harassment or Abuse																
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.																
Suppressive Discipline	Certified Standing Orders are mandated for all factories employing 100 workers or more.	Employers will utilize progressive discipline, e.g., escalating verbal warnings, written warnings, suspension, termination. Any exceptions, e.g., immediate termination for theft or assault, shall be in writing and clearly communicated to workers.	Factory has its Certified Standing Orders, however, as legally required, these need to be posted in the local language. Factory resorts to verbal counseling, reprimand and written warnings.	Copy of Certified Standing Orders seen on file. Interview of workers and management and review of workers' personnel files.	Factory must comply with the legal requirement to Post Standing Orders in local language in a prominent location inside the factory.	9/30/2003	Standing orders in local language are displayed on Notice Board.	9/30/2003	Copy of standing orders, as well as a photograph of the standing order posted in the factory, have been submitted to Reebok's monitor as verification, and are maintained in Reebok's internal local files.	Certified Standing Orders are not posted anywhere in the facility in the local language or in English.	Visual inspection with factory management	Factory is reported to have frequent turnover of employees in the personnel department. As a result, Personnel Department often does not complete its tasks properly.	Ongoing	Factory has posted certified standing orders on notice boards.	Completed	
Sexual Harassment	The Supreme Court of India defines sexual harassment as "Unwelcome sexually determined behavior which includes physical contact and advances, a demand or request for sexual favors, sexually colored remarks, showing pornography, or any other unwelcome physical, verbal or non-verbal contact of a sexual nature."	Employees shall not offer preferential work assignments or other preferential treatment of any kind in actual or implied exchange for a sexual relationship, nor subject employees to prejudicial treatment of any kind in relation for refusal sexual advances.	Many female workers during interview complained of harassment by the Supervisor or the Assistant-Supervisor and that their complaints about him to the concerned Supervisor have not resulted in any remedial action. The problem continued.	Interview with female workers	(i) Factory must develop and implement a written non-harassment policy, clearly defining that factory management does not condone, create, or contribute to an intimidating, hostile or offensive working environment. Factory will communicate this policy of zero-tolerance for any form of harassment through orientation training and workers' handbook. Factory must train supervisors and workers on its new policy. (ii) Factory must immediately investigate the reported incident and take appropriate remedial measures. (iii) Factory will designate a female staff member to interact with workers and encourage reporting of such incidents to management.	9/30/2003	1) Factory developed non-harassment policy, which was included in worker handbook. Factory included non-harassment training as part of training program. Training is ongoing. 2) Case investigation is closed. Soon after complaint received from worker, investigation was conducted, which was carried out by factory management. A show cause notice was served on supervisor. Supervisor declined to accept notice. He submitted his resignation. He was again asked to reply to show cause notice or give a verbal statement, so the facts of case could be established. He only said a false allegation was made against him, which was humiliating and led to his resignation. The resignation of Supervisor was accepted. 3) A female staff member has been appointed to interact with workers regularly.	18.9.1003 2) 1203	Copy of factory's harassment policy, and picture of its posting inside the factory, have been submitted to Reebok's monitor as verification. Moreover, plan for training supervisors and workers as part of orientation has also been submitted to Reebok. The following materials from the harassment complaint have also been submitted to Reebok: Complaint from worker. Notice served to Supervisor and Supervisor's resignation. These documents are maintained in Reebok's internal files.	The Section In-charge against whom there were allegations of Sexual harassment during the audit in 2003 has since left the organization. Meanwhile, the factory has developed a Policy on Harassment and Abuse. However, no training programs are conducted to educate workers on this policy.	Review of the policy and interview with workers and management.	Documents verified/workers interviewed stated that workers have attended training programs regarding policies and procedures of factory. Sexual harassment policy has been made and circulated among workers.	Ongoing Policy and procedure for writing, minutes of meeting for all previous complaints against sexual harassment as per the SC guidelines. The factory must ensure at all times the number of women employees is not less than 50% and it should always be headed by a woman. Training is not provided on sexual harassment. The factory must develop a training module to explain to workers as well as the cases of sexual harassment will be dealt.	Ongoing	The factory does not have adequate number of women workers on the complaint committee against sexual harassment as per the SC guidelines. The factory must ensure all (if not) the number of women employees is not less than 50% and it should always be headed by a woman. Training is not provided on sexual harassment. The factory must develop a training module to explain to workers as well as the cases of sexual harassment will be dealt.	Ongoing
Disciplinary Practices	As laid down in the certified Standing Orders.	Employers will utilize consistent written disciplinary practices that are applied fairly among all workers.	Employer resorts to verbal reprimands and written warnings towards striking workers.	Interview with workers, management and review of workers' personnel records	(i) As part of written non-harassment policy requested above, factory will issue written instructions to all supervisory staff to refrain from any form of verbal or physical abuse. It will develop and communicate punitive measures against all violators - workers and staff. (ii) Factory will include in orientation training and in worker handbook examples of unacceptable behavior and disciplinary procedures. Please submit to Reebok a copy of orientation materials and worker handbook once developed. (iii) Factory will develop and document disciplinary policies that describe different levels of discipline and various levels of authority inside factory for enforcing discipline.	9/30/2003	1) Supervisory staff has been warned about any type of abuse of physical or zero tolerance policy for harassment. 2) The non-harassment policy now explicitly prohibits any form of verbal or physical abuse by supervisors. Non-harassment policy is included in worker handbook. Training on non-harassment policy is now included in worker orientations. 3) Factory has developed that disciplinary policies, which it will submit to Reebok for recommendations.	1) October 23, 2) Oct 03. 3) Pending	Copy of factory's harassment policy has been submitted to Reebok as verification. Factory has been requested to submit its disciplinary policies and procedures to Reebok as well.	There are no complaints of harassment or abusive language being used now.	Interview with workers and management.		Policy is made, will be revised as per SC guidelines in order to fully eliminate of sexual harassment as per Supreme Court.	Ongoing		
Training of Management in Disciplinary Practices	Employers will provide training to managers and supervisors in appropriate disciplinary practices.	No formal training, this is handled by the Personnel Department.	Interview with management	Factory will conduct formal training for all supervisory staff regarding appropriate disciplinary measures based on severity of infractions. No disciplinary measures should demand a worker's dignity or result in any form of harassment. Copies of the training materials developed, as well as a training plan outlining when the training will be, has been, conducted, and the persons in attendance.	9/30/2003	1. Please note references above on factory's harassment policy and training program. 2. Disciplinary policies and procedures are currently under development, as well as training materials on acceptable disciplinary procedures. Plan for training has been established, and submitted to Reebok.	Pending	Copy of training plan for supervisors has been submitted to Reebok as verification. Factory has been requested to submit copies of training materials to Reebok. Factory requested to submit copies of disciplinary policies and procedures once completed. Copies of all training materials, as well as list of all attendees, have been requested from factory once training has been conducted.	Though management claimed they have conducted training on discipline on disciplinary practices, no documentation could be produced in support of such training programs. Some female workers interviewed stated a line supervisor occasionally reprimands them by yelling at the top of his voice, which sometimes results in some female workers breaking down and crying. Workers feel humiliated and treated. They, as well as list of all attendees, have been requested from factory once training has been conducted.	Interview with Workers and Management.	Docs verified/workers interviewed stated in writing, minutes of meeting. Factory already holds a policy in regards to supervisors and peer behavior, however, factory staff conduct orientation programs for supervisors, etc., and report.	Done - Policy and procedure for writing, minutes of meetings for all previous complaints against sexual harassment as per the SC guidelines. The factory must ensure all (if not) the number of women employees is not less than 50% and it should always be headed by a woman. Training is not provided on sexual harassment. The factory must develop a training module to explain to workers as well as the cases of sexual harassment will be dealt.	Ongoing	Training will remain an ongoing feature.	Ongoing	
Disciplinary Action Punishment of Abusive Supervisor/Manager		Management will discipline could include combination of counseling, warnings, demotions, and termination) anyone (including managers or fellow workers) who engages in any physical, sexual, psychological or verbal harassment or abuse.	Many female workers during interview complained of harassment by Supervisor of Assembly Section and their complaints about him to concerned Supervisor have not resulted in any remedial action. He tends to get agitated and either would come and stand next to a female worker and yell her to her shoes disoriented and disgust. The problem persisted as such.	Interview with female workers	Factory will communicate to policy of zero-tolerance for any form of harassment in orientation training and workers' handbook. It will immediately investigate reported incident and take appropriate remedial measures. Factory will identify a female staff member to interact with workers and encourage reporting of such incidents to management.	10/31/2003	Please note references above on factory's harassment policy and training program. Moreover, case in question is currently being investigated, and once completed, appropriate remedial action will be taken.		Please note references above.	No such complaints currently. The supervisor in question has since resigned.	Interview with workers and management.	Completed				
Gender Sensitive Security		Security practices will be gender-appropriate and non-retaliatory.	Factory has only male Security guards.	Visual inspection and interview with workers	Factory must engage a female security guard for striking workers, when this is needed.	9/30/2003	Female security guard was employed on 10/12/2003. A copy of the appointment letter has been submitted to Reebok.		Copies of person's hiring appointment letter submitted to Reebok's local monitor as verification and are maintained in Reebok's internal local files.	There is no female security guard posted. Male guards check handbags of female employees.	Visual observation and interview with female employees and management.	Female security guard has been appointed and found on duty.	Completed			
5. Harassment or Abuse																
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																
6. Health and Safety																
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work as a result of the operation of employer facilities.																
Fire Safety, Health and Safety legal compliance	Factories Act, 1948; Chapter III (Health) & IV (Safety)	Employers will comply with applicable health and safety laws and regulations. In any case where laws and codes of conduct are contradictory, higher standards will apply. Factory will possess all legally required permits.	(1) Factory presently does not have a valid license to run factory. Application has been submitted to obtain license. 2) Factory needs to obtain 'No Objection Certificate' from appropriate government authority to operate its power generating sets.	Management interview and review of documents	Factory will produce appropriate evidence of compliance.	9/30/2003	1) Shows are being manufactured under license for factory. Factory has two sections, one makes leather shoe uppers and the other makes sports shoes for Reebok. As per local laws, separate license is not required for each section of a factory. However, factory had applied for separate license. 2) NOC for generator set has been obtained.	1/4/2004	Copy of existing license and copy of application for a separate license have been submitted to Reebok as verification. Also on file is the NOC.	Factory License	License obtained and verified.	Completed				

Third Party Verification										Company Verification Follow Up		Company Verification Follow Up				
FLA Code/Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Remediation	Factory Response	Completion Date	Documentation	External Verification (May 30, 2006)	Documentation	PC Remediation Plan (December 12, 2006)	Documentation	PC Remediation Plan (June 21, 2007)	Documentation, Completion Date
Document Maintenance/Accessibility		All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language.	1) MSDS in local language needs to be prominently displayed in the Chemical store. 2) Factory needs to post its policies/procedures on machinery and equipment safety. 3) Signs and diagrams in local language indicating use of PPE in appropriate work areas should be posted. 4) Procedures dealing in first aid should be posted in work areas.	Visual observation	MSDS with graphics, as appropriate, should be prominently displayed in areas of chemical usage. Appropriate PPE should be available in chemical usage areas. First aid facilities must be adequate and communicated to all workers.	9/30/2003	1) MSDS are prominently displayed in current mixing room. 2) Factory has also developed a policy on PPE use and has posted it in a prominent location inside factory. 3) Factory has also developed and posted emergency medical procedures.		Oct-03	Copies of factory's MSDS form, PPE policy, emergency medical procedures and pictures of their postings inside factory have been submitted to Reebok's monitor as verification. All are maintained in Reebok's local internal files.					Factory to post MSDS in production areas where chemicals are used for the relevant chemicals.	Ongoing
Evacuation Procedure	FACTORIES ACT, 1948, CHAPTER - IV - SAFETY	All applicable legally required or recommended elements of safe evacuation (posting of evacuation plans, unobstructed aisles/ways, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	1) Emergency lights not installed above some exits or on exit paths and some recessed or fluorescent emergency lights installed are small tube lights which cannot penetrate through smoke. Need to install emergency lights with battery backup. 3) Many aisles in main production hall blocked with bins and cartons, while walk aisle along safety plant is quite narrow. 4) One exit in Soling section partially blocked with Chain machine, while another exit in main production hall near assembly section partially blocked with electric air cooler. 5) Some passage accesses observed to be blocked with bins.	Visual observation	Factory will attend to all changes required, as appropriate.	9/30/2003	1) Appropriate emergency lights installed. 2) All aisles marked and cleared of all aisles, the evacuation path displayed in work area. 4) "Keep clear" boxes have been painted near exit doors. 5) Access to all the exits/signs and switchboards ensured with clear aisles and markings.		Oct-03	1) Pictures of emergency lights fixed on exits, all aisles, the evacuation path displayed in the factory, all exits, including Zebra boxes, fire extinguishers and switchboards have been submitted to Reebok as verification.						Completed
Evacuation Procedure	FACTORIES ACT, 1948, CHAPTER - IV - SAFETY	All applicable legally required or recommended elements of safe evacuation (posting of evacuation plans, unobstructed aisles/ways, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures.	6) While some aisles and evacuation signs need to be requested in production hall, are no aisles marked nor evacuation signs posted in finished goods warehouse and raw material stores. Suggest evacuation signs be posted in red instead of yellow. 7) Evacuation Plans not posted anywhere. 8) Yellow "Keep Clear" boxes not marked in front of exits in Sole processing room and warehouses. 9) Fire extinguisher in canteen installed too high and not easily reached. 10) One fire extinguisher in finished goods store blocked with boxes of shoes.	Visual observation	Factory will ensure this is complied with. Factory must stock all first aid kits according to Reebok's Standards. Factory must then develop process and document process in writing for ensuring regular inspection and stocking of first aid kits inside factory. Please submit to Reebok a copy of the new process, as well as name of person in charge of its implementation.	9/30/2003	All first aid boxes have been adequately stocked. A new process for their regular inspection has been developed and submitted to Reebok.		By 09/30/2003	Copy of process for inspection of first aid kits was submitted to Reebok as verification, and is maintained in Reebok's local internal files.					Internal audit documents.	Completed
Safety Equipment	FACTORIES ACT, 1948, CHAPTER - IV - SAFETY	All safety and medical equipment (fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to employees.	First aid boxes not adequately stocked, while one in injection moulding section empty, other in main production hall needs to have eye wash cup, lotion and latex gloves.	Visual observation	Factory will ensure this is complied with. Factory must stock all first aid kits according to Reebok's Standards. Factory must then develop process and document process in writing for ensuring regular inspection and stocking of first aid kits inside factory. Please submit to Reebok a copy of the new process, as well as name of person in charge of its implementation.	9/30/2003	All first aid boxes have been adequately stocked. A new process for their regular inspection has been developed and submitted to Reebok.		By 09/30/2003	Copy of process for inspection of first aid kits was submitted to Reebok as verification, and is maintained in Reebok's local internal files.					Internal audit documents.	Completed
PPE	FACTORIES ACT, 1948, CHAPTER - IV - SAFETY	Workers shall wear appropriate protective equipment (gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	1) Generator operator did not wear goggles. 2) Some workers applying glue on soles and uppers not using gloves. 3) Workers on painting and cementing operations exposed to fumes from thinners, primers and adhesives were provided with and using fabric masks, instead of filtered masks. 4) Worker cutting labels on heated filament does not have any protection for hands.	Visual observation	Factory will need to effect necessary corrections.	9/30/2003	1) Goggles for generator operators already provided. 2) Gloves and filtered masks have been provided to workers applying glue/ cementing. 3) Protection of hands against heated filaments being devised. All actions completed by September 30, 2003. 4) Labels on heated filament have been removed from the factory. Labels are being cut using hand scissors.		By 09/30/2003	Documentation has been requested from the factory. Reebok's monitor will continue to work with the factory to determine whether these items have been submitted.						Completed
Chemical Management		All chemicals and hazardous substances should be properly labelled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances.	1) Adhesives/Thinners/Primers are not properly labelled or stored. 2) Factory does not provide any training to workers on the safe handling of these chemicals.	Visual inspection	6) Please develop and submit to Reebok a policy on chemical safety, which addresses MSDS for all chemicals, chemical storage, and training for workers. (i) Labelling must be done for all containers. (Please submit picture of all labels). (ii) Workers must be adequately trained in safe handling of chemicals. (Please submit documentation of training, including training materials, list of attendees, who conducted training, and dates trainings were held).	9/30/2003	1) Factory has developed and submitted to Reebok policy on chemical safety. 2) MSDS have been posted on containers, and in the wall of mixing room. 3) Workers currently being trained on safe handling of chemicals.		14/2 Oct 03, 9) Pending	1) Policy on chemical safety, pictures of MSDS displayed in current mixing room, and picture of containers with MSDS submitted to Reebok's monitor as verification and are maintained in Reebok's local internal files. Documentation of workers training requested from factory once training completed.					Training records	Completed
Ventilation/Electrical/Facility Maintenance	FACTORIES ACT, 1948, CHAPTER - IV - SAFETY	All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to ensure safe and healthy working conditions to employees in the facility.	1) Access to some electrical switch-gear blocked with sewing machines in production hall. 2) An electrical switch-box blocked with cartons in main production hall. 3) One electrical switch-box, while another blocked with boxes of shoes in finished goods warehouse. 3) Taped joints on electric wiring observed in main production hall. 4) Numerous instances of air-coolers and potential fans connected to mains without a plug. 5) Open switch-box and loose wires noticed in "roughing section". 6) Lighting in most work areas inadequate, ranging from 70 lux to 400 lux, should maintain minimum of 500 lux. 7) Ventilation extremely poor in "roughing section", where large quantities of shoe soles in cartons and polybags piled up. 8) Left accumulation seen on overhead air pipe in production hall. 9) Exhaust pipe of power generating set not installed.	Visual observation	3) Factory will need to effect necessary corrections. (i) Factory must also develop process/policy for regular inspection of facility safety. (ii) Factory must also develop process/policy for ensuring regular inspection and stocking of first aid kits inside factory. Please submit to Reebok a copy of the new process, as well as name of person in charge of its implementation.	9/30/2003	1) Access to all electrical switchboards cleared. 2) All taped joints and piped insulation rectified. 3) All fan/coolers provided with the factory. 4) Proper plugs provided for all fans and air coolers. 5) Roughing section checked of extra soles. All wiring noise and ventilation improved. 6) Left accumulation was cleared same day and regularly being checked. All other observations have also been attended to.	Completed by 9/30/2003	9/30/2003.	Pictures have been submitted to Reebok's monitor and are maintained in Reebok's files.						Completed
Record Maintenance		All safety and accident reports shall be maintained for at least one year, or longer if required by law.	Record of minor injuries should be maintained.	Visual observation and interview with management	Factory will need to effect necessary corrections.		Minor injury book placed with first aid box.		Oct-03	Sample injury log submitted to Reebok's monitor as verification, and maintained in Reebok's internal files.						Completed
Machinery Maintenance	FACTORIES ACT, 1948, CHAPTER - IV - SAFETY	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner.	1) Moving transmission belts on sewing machines are not adequately guarded. 2) Under-motor pulley-guards are missing from some sewing machines.	Visual observation	Factory will need to effect necessary corrections.	9/30/2003	All belts and pulleys have been provided with guards.		All pulleys and belt guards on machines provided by 10/7/2003.	Documentation requested from factory. Reebok's monitor will continue to work with factory to determine whether these items have been submitted.					Visual inspection	Completed
Sanitation in Facilities	FACTORIES ACT, 1948, CHAPTERS II & HEALTH & WELFARE	All facilities including factory buildings, toilets, canteens, kitchen, and offices, shall be kept clean and safe and be in compliance with applicable laws.	1) Door in a stable in gentlemen's toilet block needs repair. 2) Outer pipe from urinal in gentlemen's toilet missing. 3) Some flushes in toilets not functional. 4) Garbage pail with lids should be provided in each individual and in ladies' toilet block. 5) There is no soap in hand wash areas in toilets. Workers during interview stated towels provided only during factory inspection. 6) Need to provide one additional hand wash in ladies' toilet. 7) Stagnant water seen on floor of ladies' toilet block, some ladies during interview stated there had been accidents [due] to this.	Visual observation	6) Factory will need to effect necessary corrections. (i) Factory must also develop a process/policy for the regular inspection of toilet facilities to ensure they are clean and in proper functioning order, and place a qualified individual in charge for its implementation. (Please submit copies of process, and name of person in charge to Reebok).	9/30/2003	1) Door of gentlemen's toilet has been changed. 2) Outer pipe from urinal provided. 3) All flushes checked and repaired where needed. 4) Proper garbage pails are provided. 5) Additional hand wash in ladies' toilet has been provided. 6) All these actions were completed by October 7, 2003. 7) Toilet cleaning/inspection sheet has been created and sample provided to Reebok.		Oct-03	Documentation has been requested from the factory. Reebok's monitor will continue to work with factory to determine whether these items have been submitted.					Visual inspection	Completed
Sanitation in Dining Area	FACTORIES ACT, 1948, CHAPTER - V - WELFARE	All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	1) Kitchen and utensil washing area in canteen requires coat of paint. 2) Water purifier should be installed in drinking water station in canteen.	Visual observation	Factory will need to effect necessary corrections.	9/30/2003	1) Washing area in canteen repainted. 2) Drinking water is being provided from corporation supplies. 3) Sample sent to laboratory for testing. 4) Kitchen area repainted. 5) Workers are supplied corporation water for drinking. Copy of laboratory test report submitted to Reebok.		Oct-03	Pictures and lab reports have been submitted to Reebok's monitor as verification, and are maintained in Reebok's internal local files.						Completed
Worker Participation		Workers should be involved in planning for safety, including through worker safety committees.	Factory needs to constitute its Health and Safety and Canteen committees duly represented by workers and management.	Interview with workers and management	Factory will need to effect necessary corrections.	9/30/2003	All committees organized by 09/30/2003. Health and Safety Committee constituted comprising of Factory Manager as Health and Safety Officer, Management representatives as Manager Personnel and Manager Maintenance and one worker from each section as worker's representatives. The workers were elected during morning assembly of factory. The workers nominated a union to represent them. While none of any some proposed workers were asked to vote as a representative.		Oct-03	The policy on composition of committees and also the minutes of the meetings held so far have been submitted to Reebok. These committees exist only on paper. Many of the workers interviewed were not aware of these committees. Even committee members were not fully aware of their responsibilities. Committee members list of meetings being documented every month.	Interview with employees, committee members and review of minutes of meetings being documented every month.	Workers interviewed stated that they have attended committees meetings.	Ongoing - Docs for same have been provided as proof.	The committees are not effective as they tend to be one of management's communication channel to the workers rather than active committees for representing workers to the management or management. The factory must facilitate workers' grievances with the management in constructive, problem-solving manner by 09/30/2007.	Ongoing	
Other	FACTORIES ACT, 1948, CHAPTER - IV - SAFETY		1) Storage in finished goods warehouse and raw material store hazardous. Well-defined rows between stacks of material need to be created and marked. 2) Large quantities of waste material found lying in open exposed to elements. 3) Deep well outside adhesive storage area partially open and could result in accident; moreover, garbage had been dumped into well through this opening. It also appears water supply to facility is provided from this well. 4) Workers with slippers/loose wear using hard-soled high-heeled sandals, should be using soft rubber-soled footwear or be provided rubber mats to stand upon. 5) Many workers during interview complained of pains and aches in legs, back, neck, shoulders and head. Proper ergonomics and better lighting could improve situation. 6) Many workers during interview stated that quality of food served in canteen was poor and utensils were not cleaned properly. 7) Some workers during interview stated housekeeping and cleanliness standards in factory and canteen need to improve. 8) Price list of items on sale in canteen needs to be displayed as required by law.	Visual observation	Factory will need to effect necessary corrections. (Please address the ongoing maintenance of these issues as part of the safety program requested to be developed above, for ensuring ongoing safe factory conditions overhead). Once the safety plan is completed, please submit to Reebok.	9/30/2003	1) Storage of material has been re-organized. 2) Factory waste is being cleared once a week. 3) Open well has been covered. 4) Workers have been advised to wear flat rubber sole shoes, especially those who have to work standing. 5) Stock with adjustable height have also been provided. 6) Efforts are being made to improve quality of food and general cleanliness in canteen and workplace. 7) Price list already displayed in the canteen. 8) A picture of footwear submitted. 9) A picture of well after being closed opening. 10) A canteen committee has been formed. The minutes of meeting held have been submitted.		Oct-03	Documentation has been requested from the factory. Reebok's monitor will continue to work with the factory to determine whether these items have been submitted.					The factory grounds were found unorganized and several areas had scrap. Factory must have a dedicated scrap yard for scrap material and must be managed as per the HSE guidelines.	Ongoing
F. Freedom of Association and Collective Bargaining																
Employees will recognize and respect the right of employees to freedom of association and collective bargaining.																

Pre-Paid				Remediation		This Party Was Not		Compliance Verification Follow-Up		Compliance Verification Follow-Up					
FLA Code/Compliance Issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	PC Remediation Plan	Target Completion Date	Factory Response	Completion Date	Documentation	External Verification (May 26, 2006)	Documentation	PC Remediation Plan (December 12, 2006)	Documentation	PC Remediation Plan (June 21, 2007)	Documentation, Completion Date
Other			1) Workers' Forum created by management consists of workers chosen by and rotated periodically by management. The function of this group is to address workers' grievances and issues. However, in effect the committee only exists on paper and most workers are neither aware of its responsibilities nor its activities. During interview some committee members stated they are expected to pursue only management's instructions and nothing else. 2) Suggestion boxes installed in toilet booths are totally ineffective, as workers rarely express viewpoints through this medium. 3) Many workers feel reasons for voicing their grievances with management for fear of losing their job or reaction. 4) Factory needs to constitute Grievance Committee which works effectively, duly represented by workers and Management. Workers should not feel intimidated in voicing their concerns to this committee.	Interview with workers	1) As noted above, factory will reinstate workers' forum by (a) allowing worker representatives to be elected by fellow workers from each section to retain office for no less than six months, (b) providing proper mandate to representatives to gather and report on grievances from workers, (c) communicating this mandate to all workers, (d) recording all issues raised by worker representatives (in monthly forum meeting and management decisions on each issue and posting these minutes on factory notice board. 2) Factory will incorporate in workers' handbook, as well as in newly express viewpoints through this medium. 3) Many workers feel reasons for voicing their grievances with management for fear of losing their job or reaction. 4) Factory needs to constitute Grievance Committee which works effectively, duly represented by workers and Management. Workers should not feel intimidated in voicing their concerns to this committee.	9/30/2003	1) Workers' forum was started in July 2002 and still continues. 2) Names of workers elected are displayed in work area with instructions that any complaint/notice must be submitted to them. 3) Minutes of each meeting are recorded, signed by all representatives and displayed on the notice board. 4) Use of suggestion/complaint box is being included in workers' handbook and orientation training schedule. 5) Non-retaliation policy is being included in new handbook and orientation training. 6) Grievance committee has been constituted. The members have been briefed about raising their grievances without fear.	Oct-03	Details of workers' forum, and copies of the worker handbook, have been submitted to Reebok's monitor as per verification, and are maintained in Reebok's local files.	Committees exist only on paper and as per records, committees meet every month. However, some workers interviewed felt committee members are really not proactive and said they choose to approach specific management staff directly about their own grievances, while others were not even aware of existence of these committees as they had not participated in any election process. Workers interviewed were aware of suggestion boxes, however, displayed a lack of interest in utilizing this option. Through management's claim that minutes of committee meetings are posted, no workers interviewed stated having seen them.	Interview with workers, review of minutes of meetings of committees and interview with management.	Workers interviewed stated that they have attended committees' meetings.	The committees are not effective, as they tend to be one of management's communication channels to workers rather than active committees for representing workers to management or intermediary. The factory must facilitate worker committees to be independent, represent workers, involved in taking up workers' grievances with management in cooperative, problem-solving manner - 08/03/2007.	Ongoing	
B. Wages and Benefits															
Employers recognize that wages are essential to meeting employees' basic needs. Employees will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher, or benefits, whichever is higher, and will provide legally mandated benefits.															
Minimum Wage	Shahdada's 2185, Shahdada's 2301 to Rs 2400 & Shahdada's 2410 to Rs 2400	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher.	Some workers on semi-skilled operations the making, assembling and moulding are being paid wages of the unskilled grade.	Payroll records, workers interview and visual observation	Factory needs to review job descriptions of workers and assign them into semi-skilled and unskilled categories for the purpose of wage determination.	9/30/2003	Workers have already been categorized into various grades according to their skills. Copy of job description for footwear industry is laid down by Punjab Govt. has been submitted to Reebok. Since the production work is being done on overtime work, factory is using grades as for general industries.	Oct-03	Job descriptions have been submitted to Reebok for verification and are maintained in Reebok's files.	Workers are now being paid as per skill level.	Review of wage records and interview with workers.				Completed
Pay Statement		Employers will provide workers a pay statement each pay period, which will show earned wages, regular and overtime pay, bonuses and all deductions.	Pay statement providing details of earnings is issued to workers at the end of each pay period. However, while it states the amount of earnings through overtime, it does not mention the number of overtime hours worked.	Review of payroll records and visual observation	Overtime hours need to be recorded in pay slips issued to workers.	9/30/2003	Overtime hours need to be recorded in pay slips issued to workers. Already started from Sept. 2003. (Please provide copies of new pay slips to Reebok).	9/1/2003	Please submit documentation indicating these actions have been taken.	Appropriate time records are still not maintained. Electronic time recording system is under installation. However, workers and management interviewed stated that factory has not been working overtime since the past 12 months.	Interview with workers and management.	Time machine found installed. Workers interviewed claimed that they are in use of time machine for attendance purposes.	Ongoing (Review of attendance records)		Ongoing
Time Recording System		Time worked by all employees, regardless of compensation system will be documented by time cards or other accurate and reliable recording systems, such as electronic swipe cards.	Factory does not have a time recording system in place.	Review of records and interview with workers and management. Only workers' attendance recorded manually.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines.	9/30/2003	Electronic time recorder was installed by 09/30/2003 and is since being used.	9/30/2003	Documentation has been requested from factory. Reebok's monitor will continue to work with factory to determine whether these items have been submitted.	Factory does not have proper time recording system in place. An electronic time recording system is under installation and is yet to be commissioned. So far, manual time records are being maintained, but as stated by the management, these records are not complete and inaccurate.	Review of manual records, interview with Management and visual inspection.	Time machine found installed. Workers interviewed claimed that they are in use of time machine for attendance purposes.	Ongoing (Review of attendance records)		Completed, Dec-06
False Payroll Records		Employers will not use hidden or multiple payroll records in order to take overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	Overtime hours manually recorded at half number of hours worked. These records are then used to issue premium pay on overtime in compliance with law. However, in effect, there is no premium paid and overtime is paid at one time wage rate, which violates law that requires overtime to be compensated at two times the wage rate.	Overtime records, review of records and interview with workers.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines. Factory will investigate allegation of improper overtime records and ensure payment to workers for all minor dues, if any.	9/30/2003	1) OT records checked against details received from factory and found to be correct. 2) Wages register, OT register and some pay slips, along with punch cards have been submitted to Reebok and are maintained in Reebok's local files.	10/3/2003	Wages register, OT register and some pay slips, along with punch cards have been submitted to Reebok and are maintained in Reebok's local files.	Appropriate time records are still not maintained. Electronic time recording system is under installation. However, workers and management interviewed stated that factory has not been working overtime since the past 12 months.	Interview with workers and management.	Time recording system is found installed. Workers interviewed report that they use the new system for attendance-keeping purposes.	Ongoing (Review of attendance records)		Ongoing
Accurate benefit compensation	The Payment of Gratuity Act, 1972	All employees will be credited with all time worked for employer for purposes of calculating length of service to determine the benefits to which workers are entitled.	Some workers duration of work as stated by them did not match with the records available in their personal files. These records to be checked to ensure that workers do not lose out on their gratuity benefits should they quit or retire after a minimum continuous service of five years. Gratuity is calculated on the number of years of service subject to a minimum of five years.	Review of workers personal files and interview with workers.	Factory should investigate this allegation. It needs to issue workers their appointment letters which accurately record their correct date of joining the factory.	9/30/2003	Personal records have been checked. The appointment letter shows the correct date of joining.	10/3/2003	Copies of appointment letters of some workers have been submitted to Reebok's monitor and are maintained in Reebok's internal files.	Employment documents for some workers are not available in the factory. For those available, data of appointment as per appointment letter now matches with the dates stated by workers during interview.	Review of personnel files and interview with workers.	Factory has provided all workers with appointment letters, but some senior workers are not signing this doc, as are uncomfortable with clause of transfer, which stipulates workers can be transferred to any unit as and when required. This clause was explained to workers as is a requirement of local labor law. Workers requested more time to reach a decision. Factory shall update on same soon.	Ongoing		Ongoing
C. Hours of Work															
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime (or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the base of such country is not first the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.															
Forced Overtime		Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime.	Many workers during interview stated that at times if they did not wish to work overtime on a day that was not their day of rest.	Interview with workers	Factory must develop its overtime policy providing workers right of refusal under defined circumstances. This should be communicated in workers' handbook and through orientation training.	10/31/2003	Overtime policy has been made, and has been included in the workers' handbook. Also displayed in the working area in local language.	10/3/2003	Copies of the written voluntary overtime policy, as well as pictures of where the overtime policy is posted inside the factory, have been requested from the factory.	Workers during interview stated that they have not been working overtime for the past one year. The overtime policy is included in the Employee handbook and states that overtime is voluntary.	Interview with workers and Review of the handbook	Completed			Completed
Positive Incentives	Factories Act, 1946, Chapter 1 of Working Hours of Adults, Section-6 Extra Wages for Overtime	Positive incentives will be utilized, and known by the workers.	Premium on overtime is not paid as required by law.	Interview with workers	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines. Factory will investigate allegation of improper overtime records and ensure payment to workers for all minor dues, if any.	9/30/2003	New punch card machine functional. The overtime record in personnel department has been checked and was found to be correct.	10/3/2003	Wages register, overtime register and some pay slips, along with punch cards have been submitted to Reebok and are maintained in Reebok's monitor's files.	Factory has not been working overtime for the past 12 months. Overtime policy which is posted and included in the employee handbook states that overtime is voluntary and premium will be paid at twice the ordinary rate of wage as mandated by law.	Interview with workers and management.	Completed			Completed
Negative Incentives		Negative incentives or punitive actions will not used to induce overtime in excess of code standards.	At times workers are not given any option and have to work overtime.	Interview with workers	Factory must develop its overtime policy providing workers right of refusal under defined circumstances. This should be communicated in workers' handbook and through orientation training.	10/31/2003	Rights of workers to refuse overtime work has been included in the overtime policy.	10/31/2003	Factory requested to submit copies of where overtime policy is posted inside factory.	As per overtime policy included in Employees' hand book, workers are free to refuse overtime work. Factory has not been working overtime for past 12 months.	Review of handbook and interview with workers and management.	Completed			Completed
Overtime Limitations	Factories Act, 1946, Chapter 1 of Working Hours of Adults. No adult worker shall be required or allowed to work in a factory for more than 48 hours in any week or for more than 9 hours on any day. Overtime is limited to 2 hours per day and 12 hours per week with a restriction of 50 hours per quarter (3 months).	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other measures.	There are no time records maintained by this facility, hence, it is difficult to ascertain the actual number of working hours per week. Overtime records maintained manually are inaccurate and workers have also stated that at times they are not given any option and have to work overtime.	Review of records and interview with workers	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines. Factory will investigate allegation of improper overtime records and ensure that overtime premium is paid in accordance with local law. Once developed, please submit a copy of the policy to Reebok as verification.	9/30/2003	Will be complied with.	9/30/2003	Factory has been requested to submit to Reebok reports of the number of hours worked per week for the last three months, to be in compliance with Reebok's working hours standards.	Actual working hours cannot be verified as factory has not been maintaining accurate time records, and now. However, as stated by management and workers, factory has not worked overtime and on not days over the past 12 months.	Interview with workers and management.	Attendance records verified. A sheet bearing all workers' names with their card numbers is maintained by SEA Team.	Completed		Completed
Reduce Mandated OT		Employer will demonstrate commitment to reduce mandated overtime and to erect a voluntary overtime system to meet unforeseen situations.	This needs to be implemented.	Review of records and interview with workers	See references above to overtime hours and overtime policies.	9/30/2003	Being implemented.	9/30/2003	Factory requested to submit copies of where overtime policy is posted inside factory.	Overtime policy is included in Employees' Handbook. As stated by management and workers, factory has not worked overtime and on not days over the past 12 months.	Review of handbook and interview with workers and management.	Completed			Completed
Explanation of Continued Required OT		If employer repeatedly requires overtime in order to respond to same situation, employer will explain why it will not have sufficient staff on hand to avoid necessity of overtime.	Can be determined when a reliable time recording system is introduced.	Visual observation, review of records and interview with workers.	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines.	9/30/2003	Being complied with.	9/30/2003	Factory requested to submit to Reebok reports of number of hours worked per week for last three months, to determine whether factory is in compliance with Reebok's working hours standards.	Factory's policy on working hours is included in the Employee Handbook. As stated by management and workers, factory has not worked overtime and on not days over the past 12 months.	Interview with workers and management.	Ongoing - Attendance records verified. A sheet bearing all workers' names with their card is maintained by the SEA Team.	Completed, Dec-06		Completed, Dec-06
Overtime Explanation		Employers shall be able to provide explanation for all periods where the extraordinary business circumstances exception has been used. Employers shall take reasonable steps to inform workers about the nature and expected duration of the circumstances.	This needs to be implemented.	Review of records and interview with workers	Please develop a factory policy for working hours, within Reebok's working hours and set day standards, and submit the policy to Reebok.	9/30/2003	The factory is currently in the process of developing a factory policy on working hours, within Reebok's working hours and set day standards, and will submit the policy to Reebok once completed.	Pending	Reebok's monitor will follow up with factory to determine whether policy development is in track, and will request from factory that they submit documentation.	Factory's policy on working hours is included in the Employee Handbook. As stated by management and workers, factory has not worked overtime and on not days over the past 12 months.	Review of the Employee Handbook and interview with management and workers.	Completed			Completed
Legal Compliance With Protected Workers	By law women cannot work between 7.30 p.m. to 6.00 a.m. Chapter - VI of the Factories Act, Section - 66	The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 16.	Cannot be determined for want of a reliable time recording system. Some women stated that occasionally they worked up to 7.30 p.m.	Interview with female workers	Factory will ensure all working hours are recorded accurately in newly installed punch-card machines. Please also develop, as part of the factory's working hours policy, a policy for working hours for women in accordance with local law. Once developed, please submit a copy of the policy to Reebok as verification.	9/30/2003	Factory is ensuring all working hours are recorded accurately in newly installed punch-card machines. The factory's working hours policy, as well as a policy for working hours for women, is pending. Once developed, the factory will submit a copy of the policy to Reebok as verification.	Pending	Factory has requested that they submit copies of the factory's working hours policies.	Factory does not have proper time recording system in place. Electronic time recording system is under installation and is yet to be commissioned. So far, manual time records are maintained, but as stated by management, these records are not complete and accurate. However, female workers interviewed stated factory has not been working overtime for a year and their workday ends at 5:00pm.	Review of manual records, interview with management and visual inspection and interview with female workers and management.	Verified - Machine found installed and in use. Attendance sheet found posted on notice board daily for workers to review. Workers are using time machine for recording their daily attendance as stated in interview.	Ongoing - Attendance records verified. A sheet bearing all workers' names with their card numbers was reviewed.	Ongoing	Ongoing
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary.	This needs to be implemented.	Interview with workers	Factory must develop its overtime policy providing workers right of refusal under defined circumstances. This should be communicated in workers' handbook and through orientation training. Please see references above to overtime policies.	10/31/2003	Please see references above to the factory's voluntary overtime policies.	10/3/2003	Copies of written voluntary overtime policy, as well as pictures of where policy is posted inside factory, have been requested from factory.	Overtime policy is included in the Employee Handbook and states that overtime will be on a voluntary basis.	Review of the Employee Handbook.	Completed			Completed
D. Overtime Compensation															
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.															
Accurate Recording of OT Hours Worked		Employees will be paid for all hours worked in a week/quarter. Calculation of hours worked must include all times that employer allows or requires worker to work.	Only half the overtime hours that workers work are recorded against their names.	Workers statement during interview	Factory will ensure all working hours - including overtime work - is recorded accurately in newly installed punch-card machines.	9/30/2003	Please indicate the factory's efforts in this regard.	9/30/2003	Copy of time recorder dates, and OT register record are maintained in Reebok's files.	As stated by management and workers, factory has not worked overtime and on not days over the past 12 months. Factory is in process of commissioning an electronic time recording system.	Interview with workers and management.	Completed			Completed
OT Compensation	Overtime must be compensated at twice the ordinary rate of wages. (Chapter - VI of the Factories Act, Section - 68)	The factory shall comply with applicable law for premium rates for overtime compensation.	Overtime is compensated at one time the wage rate. However, records are maintained to show it is compensated at twice wage rate to be in compliance with law.	Workers statement during interview	Factory will investigate allegation of improper overtime records and ensure payment to workers for all minor dues, if any.	9/30/2003	New punch card machine functional. The overtime record in personnel dept. has been checked and is found correct.	9/30/2003	Copy of payroll record for October was submitted to Reebok, and is maintained in Reebok's files.	As stated by management and workers, factory has not worked overtime and on not days over past 12 months. Present manual time recording system is precise, reflective and verifiable. An electronic time recording system is under installation and is expected to be commissioned shortly.	Interview with management and workers.	Verified - Machine found installed and in use. Attendance sheet found posted on notice board daily for workers to review. Workers are informed about the use of newly installed system.	Ongoing (Attendance records)		Ongoing
OT Compensation Awareness		Workers have been informed about overtime compensation rates, by oral and printed means.	Workers have been coached to say that overtime is compensated at twice the wage rate when in fact it is not.	Workers interview	6) Factory will record overtime premium calculations in workers' handbook, include explanation of this in workers' orientation training, as well as post this on factory notice board. 2) Overtime is recorded in workers' handbook and orientation training, as well as post this on factory notice board. 3) No staff had coached the workers, it was a surprise visit by FLA team.	9/30/2003	1) Factory will record overtime premium calculations in workers' handbook, include explanation of this in workers' orientation training, as well as post this on factory notice board. 2) Overtime is recorded in workers' handbook and orientation training, as well as post this on factory notice board. 3) No staff had coached the workers, it was a surprise visit by FLA team.	28/3/2003	Factory requested to submit documentation on overtime premium calculations, which are to be included in workers' handbook and orientation training. Reebok's monitor will continue to work with factory to determine whether these items have been submitted.	As stated by management and workers, factory has not worked overtime and on not days over past 12 months. Present manual time recording system is precise, reflective and verifiable. An electronic time recording system is under installation and is expected to be commissioned shortly. Overtime premium, as mandated by law, is explained in policy on working hours which is posted and included in the Employee Handbook.	Interview with management and workers. Review of workers' handbook and interview with management.	Per documentation review and workers' interview, factory management has installed new time recording system. All workers are currently using new system and as a result, hours of work could properly be verified.	Completed		Completed